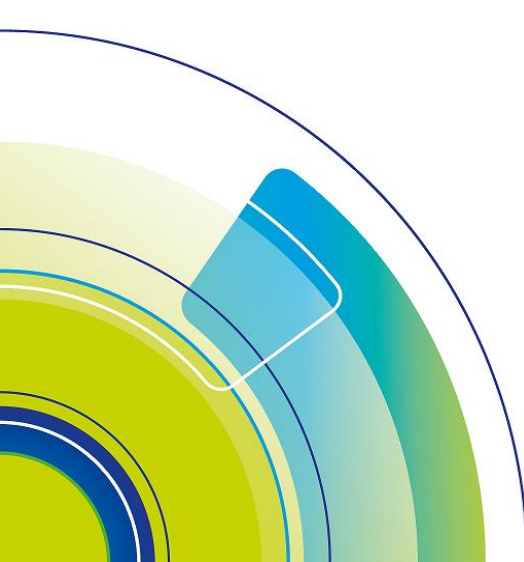




PVD Update – OUTPERFORM

November 26/11/2025



Truong Anh Quoc

(+84 8) 7300 7000 - Ext: 1044
quocta@acbs.com.vn

Update Report

Recommendation **OUTPERFORM**

HOSE: PVD

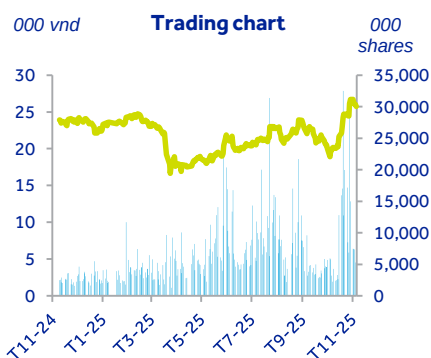
Oil and Gas Drilling Services

Target price (VND)	28,500
Current price (VND)	25,700
Expected share price return	10.9 %
Expected dividend yield	0%
Expected total return	10.9%

Stock performance (%)

	YTD	1M	3M	12M
Absolute	12.5	30.7	20.5	11.6
Relative	-21.2	31.1	21.9	-25.5

Source : Bloomberg



Ownership structure

PVN	50.4 %
Dragon Capital	10.9%
Norges Bank	1.7%
CTBC Vietnam Equity Fund	4.9%

Statistical

November 21, 2025

Bloomberg Code	PVD VN
52 week range (VND)	16,300 - 26,700
Number of shares outstanding (million shares)	555
Capitalization (billion VND)	14,313
Market capitalization (million USD)	540
Remaining foreign room (%)	32.6
Free float ratio (%)	28.5
Trading volume	4,313,533
VND/USD	26,430

Index: VNIndex/HNX 1667/261

Petro Vietnam Drilling (HOSE: PVD)

In 2025, PVD positive business results were driven by: (1) contribution from the new rig PVD VIII, (2) divestment of the PVD11 land rig, (3) profit margin improvement, and (4) increasing profit/dividends distributed from joint ventures/subsidiaries. In 2026, we expect PVD to record a 22% yoy growth in revenue, and a 21% yoy growth in NPAT, mainly due to the new rig PVD VIII & PVD IV operating throughout the year with improved day-rate. Additionally, the Well Technical Services segment is also expected to contribute to growth in 2026. The target price for 2026 is VND 28,500/share. Rating **OUTPERFORM**.

In Q3.2025, the company achieved VND 2,570 billion in revenue (+5.4% yoy) and VND 277 billion in NPAT (+54.7% yoy). The growth was mainly due to improved Gross Profit Margin (GPM). For 9M.2025, PVD achieved VND 6,551 billion in revenue (+11% yoy) and VND 673 billion in NPAT (+46% yoy). Overall, in 9M.2025, PVD completed 127% of the NPAT target and 76% of our forecast. Specifically:

- The Drilling Services segment revenue accounted for 58% of total revenue, and the Well Technical Services segment contributed 37% of total revenue.
- The growth in revenue and profit was mainly due to the contribution from the PVD VIII. Besides, the workload in the Well Technical Services segment increased. The Gross Profit Margin for the Drilling Services & Well Technical Services segments saw a growth of 3%-5% yoy.
- NPAT growth was significantly contributed by VND 185 billion in other income, mainly from the divestment of PVD11 land rig.

2026 outlook

We maintain our 2025 revenue forecast at VND 9,781 billion (+5.3% yoy) and NPAT at VND 884 billion (+27.4% yoy).

For 2026, revenue is expected to reach VND 11,954 billion (+22% yoy) and NPAT at VND 1,068 billion (+21% yoy) thanks to the additional contribution from the PVD VIII & PVD IX rigs. Specifically, the PVD VIII rig will operate in Vietnam and Malaysia, and the PVD IX rig will operate for a domestic partner after being relaunched.

Using the Discounted Cash Flow (DCF) method, we value PVD with a target price of VND 28,500/share by the end of 2026.

	2022	2023	2024	2025F	2026F
Revenue (bn VND)	5,432	5,804	9,288	9,781	11,954
Growth (%)	36%	7%	60%	5%	22%
EBITDA (bn VND)	812	1,766	2,059	2,140	2,478
EBITDA margin (%)	15%	30%	22%	22%	21%
NPAT (bn VND)	(155)	546	698	884	1,068
Growth (%)	-521%	-453%	28%	27%	21%
EPS (VND)	(250)	810	1,000	1,510	1,824
Growth (%)	N/A	-424%	23%	51%	21%
ROE (%)	-1%	4%	4%	5%	6%
ROIC (%)	-1%	3%	4%	5%	5%
Net debt/EBITDA	4.7	1.9	1.5	1.4	1.7
PER	(78.1)	31.8	25.8	17.1	14.1
EV/EBITDA	16.0	8.2	6.9	7.1	5.7
PBR	1.0	1.0	0.9	0.9	0.8
Dividend (VND)	3	3	3	2	2
Dividend yield (%)	0%	0%	0%	0%	0%

BUSINESS RESULTS

Q3.2025 business results grew well thanks to improved gross profit margin

In Q3.2025, the company achieved revenue of VND 2,570 billion (+5.4% yoy), NPAT reached VND 277 billion (+54.7% yoy). 9M.2025, PVD achieved revenue of VND 6,551 billion (+11% yoy, 97% of the plan), NPAT reached VND 673 billion (+46% yoy, 127% of the plan). Specifically:

- Revenue from Drilling Services segment accounts for 5.8 % of total revenue, while Well Technical Services segment contributes 37% of total revenue.
- Gross profit margin in Q3.2025 improved from 18.4% to 23.7%, thanks to the improvement of most business activities. Gross profit margin of Drilling Services & Well Technical Services segment grew 3%-5% yoy.
- The growth in revenue and profit was mainly due to the contribution from the PVD VIII rig - officially put into operation from September 1, 2025. In addition, the workload of the Well Technical Services segment has increased.
- The growth in 9M.2025 NPAT has a large contribution from other income of VND 185 billion (compared to the same period of VND 15.7 billion). This item mainly comes from the divestment of the PVD11 land rig in Q1/2025).
- Profit and dividends distributed from joint ventures/subsidiaries in 9M.2025 improved to VND 81 billion (6.8 times higher than the previous year).
- Foreign Exchange Rate difference loss increased to VND51 billion due to higher USD exchange rate fluctuations in Q3.2025 compared to the same period last year.

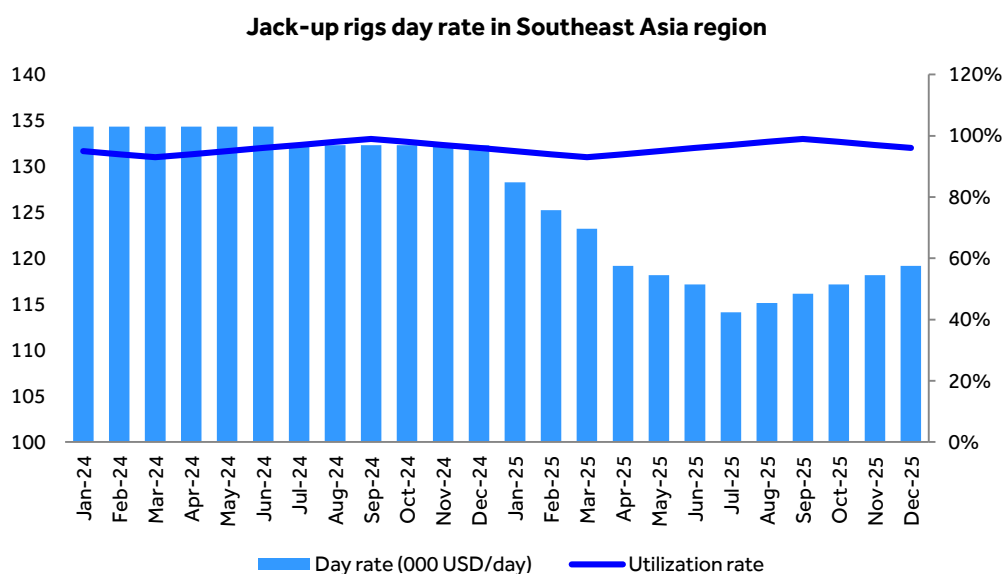
PVD business results	Q3/2025	Q3/2024	+/- yoy
Revenue (billion VND)	2,570	2,438	+5.4%
Commercial	120	254	-52.8%
Drilling services	1,496	1,612	-7.2%
Well technical services & other services	954	571	+67.1%
Gross profit (billion VND)	609	449	+35%
Commercial	14	23	-39.1%
Drilling services	360	306	+17.6%
Well technical services & other services	236	121	+95%
Gross profit margin (%)	23.7%	18.4%	+5.3%
Commercial	11.7%	9.1%	+2.6%
Drilling services	24.1%	19%	+5.1%
Well technical services & other services	24.7%	21.2%	+3.5%
Sales & General Administration Expenses	208	171	+21.2%
Profit after tax	277	179	+54.7%

Source: PVD, ACBS

PROSPECTS FROM DOMESTIC UPSTREAM PROJECTS

International drilling rig market forecast to remain flat in 2026

Jack-up rig rental rates in Southeast Asia show a trend of adjustment in 2025 but remain high at around USD 115,000-120,000/day.



Source: S&P, ACBS

According to Westwood Global Energy Group, the global supply of jack-up rigs is forecast to remain roughly the same over the years: 395 rigs in 2025, 405 rigs in 2026. Utilization rates will also remain at 89%-90% for the period 2025 - 2026.

The Saudi Arabia market will be the main driver of jack-up activity, and Saudi Aramco's activities will determine the growth of the global rig market. We would not expect a repeat of the wave of suspensions announced by Saudi Aramco in 2024 in the near future.

Demand for domestic drilling rigs is increasing

The domestic oil and gas drilling market is expected to stay positive, creating a large and sustainable workload for PVD. In the short term, PVD is actively preparing to participate in key drilling programs, including Block B, Nam Du – U Minh and Su Tu Trang Phase 2B projects.

In the long term, we estimate that there will be about 63 wells/year in the period 2026-2030, which corresponds to the need for about 12 jack-up rigs. PVD is expected to maintain a profit growth rate of about 14% over the same period.

PVD's main growth drivers come from: (1) the high utilization rate, (2) the day rate for jack-up rigs is expected to slightly grow compared to the same period, and (3) two new rigs have just been put into operation.

PVD rig day-rate continue to remain high

Moving into 2026, we forecast PVD's jack-up day rates to increase slightly by 2% to an average of around USD 105,000/day, reflecting PVD's ability to maintain good rates in the regional market.

PVD rigs are fully-booked through 2026

PV Drilling has purchased two more rigs, PV DRILLING VIII - put into operation since August 2025 and PV DRILLING IX (expected to be operational in Q1.2026). Currently, PV Drilling has 7 offshore rigs, including 6 jack-up rigs and one deepwater rig. All rigs have contracts until the end of 2026, some have contracts until 2028. In 2026, PV Drilling will continue to maintain 2 rigs operating in Malaysia, including PV DRILLING VI and PV DRILLING VIII.

Drilling plan 2026

Drilling plan	2026											
	1	2	3	4	5	6	7	8	9	10	11	12
PV Drilling I	PCSB		PVEP Cuu Long									
PV Drilling II	Pertamina ONWJ											
PV Drilling III	Pertamina ONWJ											
PV Drilling VI	PCSB											
PV Drilling VIII	Vietsovpetro						PCSB					
PV Drilling IX	Reboot		Domestic customers									
PV Drilling V (TAD)	Brunei Shell Petroleum											
Outsourcing	Murphy Oil											
Outsourcing	Murphy Oil											

Source: PVD, ACBS

PVD I will return to Vietnam after completing the drilling campaign in Malaysia, to provide services to PVEP Cuu Long - 3 wells at Su Tu gas-field, Block 15-1, expected duration 249 days from March 2026.

PVD VIII is currently operating at Kinh Ngu Trang gas-field, Cuu Long basin, Block 09-2/09 for Vietsovetro. The contract includes 6 wells (approximately 267 days) and 6 optional wells. After that, PVD VIII will provide services in Malaysia from Q3.2026 for one year. Specifically, the first drilling program includes 3 development wells in East Malaysia, then the rig will continue the development drilling program of 7 wells in Sarawak.

PVD VI will drill for the Block B&48/95 and Block 52/97 Field Development Project - 40 wells in about 305 days, expected to start from March 2027 to August 2027.

PVD IX is being restarted, expected to resume operations from Q1.2026, investment value by the end of September 2025 reaching 1,721 billion VND.

Decree 66.6 gives PVN more power to accelerate the development of oil and gas projects

Decree No. 66.6/2025/NQ-CP assigns PVN to perform a number of tasks and powers of the Ministry of Industry and Trade related to the approval of the Plan and adjustment of the General Plan for oil and gas field development, along with the approval of the Report on oil and gas resources and reserves for oil and gas fields.

PVN being given greater autonomy will significantly accelerate exploration and exploitation projects, as well as the entire oil and gas industry value chain, including businesses from exploration and production (E&P), technical services, gas, to distribution in the period 2026-2030. In particular, PVD will be the beneficiary of the strong increase in demand for jack-up rig, helping the company improve its operating capacity and profits.

Forecast and valuation

We maintain our 2025 revenue forecast of VND9,781 billion (+5.3% yoy) and net profit of VND884 billion (+27.4% yoy).

For 2026, revenue is expected to reach VND11,954 billion (+22% yoy) and net profit after tax VND1,068 billion (+21% yoy) thanks to additional contributions from PVD VIII & PVD IX rigs. Drilling and Well technical services are the key drivers, contributing to revenue and profit growth. Exploration and production (E&P) activities remain positive in the 2026

period thanks to the decline in natural reserves and strategic requirements for national energy security.

Using the DCF cash flow discount method, we value PVD with a target price by the end of 2026 of VND 28,500 /share.

VALUATION MODEL

(Unit: billion VND)	2022	2023	2024	2025F	2026F
Net revenue	5,432	5,804	9,288	9,781	11,954
<i>Growth (%)</i>	36%	7%	60%	5%	22%
<i>COGS minus depreciation</i>	4,071	3,642	6,650	7,571	8,671
<i>Sales and administrative expenses</i>	510	547	635	836	1,056
<i>Sales and administrative expenses/DTT</i>	9%	9%	7%	9%	9%
EBITDA	812	1,766	2,059	2,140	2,478
<i>EBITDA margin (%)</i>	15%	30%	22%	22%	21%
<i>Depreciation</i>	783	857	884	854	923
Operating Profit	67	759	1,119	1,101	1,304
<i>Operating profit margin (%)</i>	1%	13%	12%	11%	11%
<i>Net interest expense</i>	168	250	238	180	202
<i>Interest Expense/Average Net Debt</i>	4%	7%	8%	6%	5%
<i>Tax</i>	16	112	239	221	284
<i>Tax rate (%)</i>	N/A	17%	26%	20%	21%
<i>Minorities</i>	(52)	(39)	0	44	53
Profit after tax	(155)	546	698	884	1,068
<i>Net profit margin (%)</i>	-3%	9%	8%	9%	9%
<i>Cash</i>	2,079	2,256	2,203	2,434	2,367
<i>Number of shares (million shares)</i>	556	556	556	556	556
EPS (VND)	(250)	810	1,000	1,510	1,824
<i>Bonus/dividend payment by shares (times)</i>	1.3	1.0	1.0	1.0	1.0
Adjusted EPS (VND)	(330)	810	1,000	1,510	1,824
<i>Adjusted EPS growth (%)</i>	N/A	424%	23%	51%	21%

KEY CASH FLOW & BS ITEMS	2022	2023	2024	2025F	2026F
Change in working capital	(638)	309	(391)	3	(678)
Capex	(155)	(149)	(1,371)	(1,314)	(1,380)
Investment in associated companies and joint ventures	622	666	681	883	886
Free cash flow	1,163	984	601	377	1,236
Issuing shares	135	0	0	0	0
Dividends paid	3	3	3	2	2
Change in net debt	(52.9)	1,525.2	(268.4)	1,000.9	(1,125.9)
Net debt at year end	(1,332)	193	(75)	926	(200)
Enterprise value	12,981	14,506	14,238	15,239	14,113
Equity	14,079	14,898	16,052	16,834	17,363
Book value/share (VND)	25,308	26,781	28,856	30,262	31,212
Net debt / Equity (%)	9.5%	1.3%	0.5%	5.5%	1.2%
Net debt / EBITDA (x)	164%	11%	4%	43%	8%
Total assets	20,704	21,633	23,615	25,649	27,689

PROFITABILITY AND VALUATION RATIOS	2022	2023	2024	2025F	2026F
ROE (%)	-1.1%	3.7%	4.3%	5.3%	6.2%
ROA (%)	-0.7%	2.5%	3.0%	3.4%	3.9%
ROIC (%)	-1%	3%	4%	5%	5%
WACC (%)	9.7%	9.9%	10.1%	10.0%	9.9%
EVA (%)	-11%	-7%	-6%	-5%	-5%
PER (x)	(103.0)	31.8	25.8	17.1	14.1
EV/EBITDA (x)	16.0	8.2	6.9	7.1	5.7
EV/FCF (x)	11.2	14.7	23.7	40.4	11.4
PBR (x)	1.0	1.0	0.9	0.9	0.8
PSR (x)	2.6	2.5	1.5	1.5	1.2
EV/sales (x)	2.4	2.5	1.5	1.6	1.2
Dividend yield (%)	0%	0%	0%	0%	0%

CONTACT

Head office

Head office

Leman, 117 Nguyen Dinh Chieu, Xuan Hoa Ward, HCMC

Tel: (+84 28) 7300 1000

Hanoi Branch

10, Phan Chu Trinh, Ward Cua Nam, Hanoi

Tel: (+84 24) 3942 9395

RESEARCH & MARKET STRATEGY DEPARTMENT

Head of Research & Market Strategy

Trang Do

(+84 28) 7300 7000 (x1041)

trangdm@acbs.com.vn

Institutional Clients

Director

Huong Chu

(+84 28) 7300 7000 (x1083)

huongctk@acbs.com.vn

groupis@acbs.com.vn

Manager

Huynh Nguyen

(+84 28) 7300 6879 (x1088)

huynhntn@acbs.com.vn

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Our Recommendation System

BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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